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FISCAL IMPACT REPORT

SPONSOR: McSorley DATE TYPED: 01/24/03 HB _____

SHORT TITLE: Farmers Market Nutrition Program SB 29

ANALYST: Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$136.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to: SB30

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$316.0	\$316.0	Recurring	Federal Funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From
 New Mexico Department of Agriculture
 New Mexico Department of Health

SUMMARY

Synopsis of Bill

Senate Bill 29 appropriates \$136.0 from the general fund to the Department of Health for expenditure in FY04. The purpose is to provide matching funds for the farmer's market nutrition program to improve the diets of women, children and seniors in New Mexico. This program serves nutritionally at risk families by providing \$20.00 worth of fruits and vegetables during the growing season at 27 farmers' markets around New Mexico.

Significant Issues

1. USDA regulations require any state participating in the federal farmers' market nutritional program to provide a 30% match to the 70% federal funding.
2. Currently, New Mexico funds the farmers' market nutrition program with \$60.0 from the general fund. This results in a federal match of \$140.0. This \$200.0 was included in the DOH base budget request for FY03.
3. The current FY03 funding level allows New Mexico to serve 9,350 clients. This means New Mexico is serving only 15% of the potentially eligible women, infants and children, and is not serving any of the eligible senior population.
4. 687 small, independent fruit and vegetable farmers, not processors or retailers, participate in the State's farmers' markets. Many of these small, independent farmers have reported that sales generated through this program assist them with profits and with staying in business.
5. 2002 Census data shows there are approximately 96,571 New Mexican women, infants and children eligible to receive assistance under this program. Also, there are 229,000 New Mexican seniors who are at 150% of poverty level. It is estimated that 75% of these 229,000 seniors would qualify for assistance under this program.
6. Healthy children are more successful in school. Good nutrition directly correlates to Medicaid savings.

FISCAL IMPLICATIONS

The appropriation of \$136.0 contained in this bill is a recurring expense to the general fund, and any unexpended balance remaining at the end of FY04 shall revert to the general fund.

The \$136.0 to DOH would generate \$316.0 in federal match. The total \$452.0 would serve 180,000 low-income women, infants, children and seniors.

RELATIONSHIP

SM29 relates to SB30 which appropriates \$50.0 from the general fund to the NM Department of Agriculture to promote and develop the statewide New Mexico Farmers' Markets.

SJM/njw